



PALADIN ENERGY LTD

ACN 061 681 098

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ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

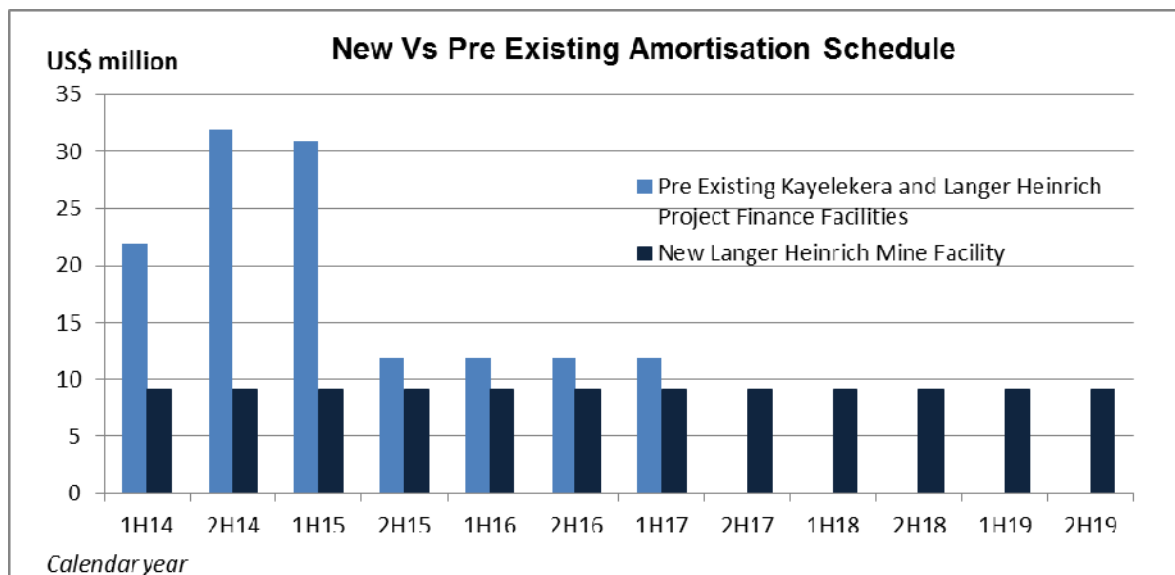
Successful Refinancing of Langer Heinrich and Kayelekera Facilities

- **The project finance facilities have been refinanced.**
- **US\$59M reduction in debt repayments over 2014 and 2015 calendar years.**
- **Langer Heinrich debt repayments reduced by US\$5.5M per annum.**
- **This has material positive cash flow implications and the financial pressure on the business has been substantially reduced.**

Paladin Energy Ltd (ASX: PDN, Paladin) is pleased to advise it has entered into agreements with its lenders to refinance the Langer Heinrich (LH) and the Kayelekera project finance facilities.

This new facility will provide significant cash flow benefits to both projects and leaves Paladin in a much stronger financial position. As shown below, the annual principal repayments across both projects will be reduced from US\$53.8M per annum to US\$18.3M per annum in calendar year 2014, a substantial reduction of US\$35.5M, with the first repayment not due until June 2014.

In calendar year 2015, annual principal repayments under the existing facilities compared to the new facility will be reduced by a further US\$23.7M.



The key terms of the new LH project finance facility are as follows:

Facility	Term Loan	Working Capital Facility
Amount	US\$110M	US\$20M
Borrower	Paladin Finance Pty Ltd	Langer Heinrich Uranium (Pty) Limited
Term	6 years (maturing 31 December 2019)	Renewable annually for 12 months
Amortisation	12 equal instalments of US\$9.2M starting 30 June 2014	
Security	The existing security arrangements for Langer Heinrich remain in place	

The terms and conditions of the new LH facility are largely the same as for the existing project finance agreement except for an increased amount, extension of term and a reduction in principal repayments from US\$23.8M per annum to US\$18.3M per annum. In addition, Paladin has secured a US\$20M working capital facility to provide additional financial flexibility.

The Kayelekera project finance facility (currently US\$48.1M) will be repaid in full immediately, however, the facility and existing security arrangements will remain in place to support the US\$10M Performance Bond.

Overall, this rationalisation in the project financing reduces the Company's debt position and provides the benefit of substantially reduced repayments over the next three years, conserving operational cash flow.

The new facility is provided by Nedbank Capital, a division of Nedbank Limited, Nedbank Namibia Limited, the Standard Bank of South Africa Limited and Standard Bank Namibia Limited. Both banks have been involved with Paladin since the first LH project finance facility was established in 2006.

Paladin Managing Director and CEO John Borshoff said: "This successful refinancing is another important step in Paladin's rigorous assessment of options to strengthen the business, both operationally and at a corporate level. Completing the refinancing during this period of depressed uranium prices and difficult market conditions is testament to the operational capability and financial robustness of Langer Heinrich. The project has continued to deliver superior production results at the same time as ongoing optimisation work has continued to reduce production costs. The existing Bank Syndicate has continued to demonstrate strong support for Paladin since commencement of these facilities. I would personally like to thank both Nedbank and Standard Bank for the commitment they have shown to the Company and their understanding of the uranium industry."

Yours faithfully
Paladin Energy Ltd



JOHN BORSHOFF
Managing Director/CEO